



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Joseph Horwedel

**SUBJECT: POPULATION AND HOUSING  
GROWTH ANALYSIS**

**DATE:** May 25, 2007

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Approved:

Date:

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## INFORMATION

On May 1, 2007, the California Department of Finance (DOF) released its annual population estimates for cities and counties. The State uses these estimates to determine the annual appropriations limit for all California jurisdictions; other public and private entities use the information for research and planning purposes. Unfortunately, the DOF does not issue population estimates for geographic areas smaller than cities and counties, and data equivalent to that provided by the decennial census will not be available from the U.S. Census Bureau until 2010.<sup>1</sup>

As seven years have now passed since Census 2000, the City's planning staff is receiving increasing requests for data that allows a more detailed analysis of population and housing growth in San José. The Department of Planning, Building and Code Enforcement (PBCE) collects data on new housing production, and this data can be used as a general proxy for determining the location and rate of population growth at smaller areas of geography. However, this simplified approach does not address other variables affecting population change, such as changes in household size, vacancy rates, birth and mortality rates, and migration patterns.

This memo provides an analysis of the DOF's population estimates and PBCE's data on new housing units in San José since 2000 and draws several conclusions about the City's past and future growth patterns.

### *Department of Finance Population Data Analysis*

The latest DOF estimates place San José's population at 973,672 people as of January 1, 2007, an increase of 1.6% from 2006 (see Table 1 on page 2). This figure represents a total population increase of over 75,000 people since the last census on April 1, 2000, and maintains San José's position as the third largest city in California (behind Los Angeles and San Diego, respectively) and the tenth largest city in the Nation.

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<sup>1</sup> The U.S. Census Bureau's new American Community Survey (ACS) will, by 2010, make estimates of population, housing, social, and economic characteristics available on an annual basis for areas as small as census tracts.

**Table 1.**  
**Population Estimates, 2000-2007**

	Year								Average Annual Growth (2000-2007)	Total Growth (2000-2007)
	2000 <sup>1</sup>	2001	2002	2003	2004	2005	2006	2007		
Population	894,943	907,338	916,328	919,555	931,232	941,116	957,915	973,672		
Nominal Growth	--	12,395	8,990	3,227	11,677	9,884	16,799	15,757	11,247	78,729
Percent Growth	--	1.4%	1.0%	0.4%	1.3%	1.1%	1.8%	1.6%	1.2%	8.8%

Note: all estimate dates are January 1, except as indicated below.

Source: California Department of Finance (DOF), except as indicated below.  
<sup>1</sup>U.S. Census Bureau, Census 2000, April 1, 2000.

In reviewing the DOF data, the following points stand out for San José:

- The City's average annual growth rate is 1.2% since 2000, but in the last two years growth has been notably higher (1.8% in 2005 and 1.6% in 2006).
- The rate of growth thus far this decade is below that experienced during the 1990-2000 timeframe, when the City grew 14.4%, from 782,248 people in 1990 to 894,943 people in 2000.
- San José's population can be expected to eclipse the one million mark some time in 2008 or 2009 as a result of continued completion and occupancy of housing construction projects underway and the annexation of unincorporated lands pursuant to the City's ongoing County Island Annexation Program.

### ***PBCE New Housing Units Data Analysis***

Table 2 on page 3 shows new housing units by City planning area<sup>2</sup> since Census 2000. These data are inclusive of all new housing units issued building permits from July 1, 1999 to April 30, 2007.<sup>3</sup>

Several key observations can be made about these data, as follows:

- **Uneven Growth Distribution:** Growth is not evenly distributed among the City's planning areas. For example, the Almaden and Alviso planning areas each received 0.4% of all new housing units since July 1, 1999, while the Central planning area received 25.7%. Figure 1 on Attachment A illustrates these growth differences by dividing the planning areas into three incremental growth categories: "faster growth" (10.0% or more of total new units), "moderate growth" (5.0% to 9.9% of total new units), and "slower growth" (less than 5.0% of total new units).

<sup>2</sup> Planning areas are fifteen large geographic subareas of San Jose referenced in the "Background for Planning" chapter of *General Plan 2020*. Due to their permanent boundaries, these areas are especially valuable in the collection and analysis of data over long periods of time.

<sup>3</sup> The specified start date, July 1, 1999, was selected to address a typical construction lag time prior to census day (April 1, 2000), thus minimizing the double counting of units otherwise reported in Census 2000. The data have a reporting error of less than 2.5% of actual unit counts.

**Table 2.**

**New Housing Units by Planning Area, Since Census 2000<sup>1</sup>**

Planning Area	New Housing Units	Percent of Total Units
Almaden	108	0.4%
Alum Rock	1,901	7.2%
Alviso	98	0.4%
Berryessa	901	3.4%
Calero	2	0.0%
Cambrian/Pioneer	297	1.1%
Central	6,796	25.7%
Coyote	-	0.0%
Edenvale	3,057	11.6%
Evergreen	2,432	9.2%
North	3,213	12.2%
San Felipe	-	0.0%
South	4,873	18.4%
West Valley	1,636	6.2%
Willow Glen	1,128	4.3%
Total	26,441	100.0%

<sup>1</sup>Note: units issued building permits from July 1, 1999 to April 30, 2007.

Source: Department of Planning, Building and Code Enforcement.

- Planned, Controlled Growth Pattern:** Figure 1 on Attachment A also reflects a planned, controlled growth pattern that can be tied to the City's General Plan and other land use/development policies. For example, growth in the Central planning area is largely attributed to proactive planning actions over the last few decades, including the *Housing Initiative Study*, several Planned Communities (i.e., Midtown, Jackson-Taylor, Tamien Station, and Martha Gardens), and the *Downtown Strategy Plan*, all of which emphasize a higher-density, transit-oriented infill development pattern. Conversely, the absence of growth in the Calero, Coyote, and San Felipe planning areas is the result of establishing the City's Greenline/Urban Growth Boundary.

Furthermore, San José's growth pattern parallels more regional growth trends cited by a recent news article about the DOF's 2007 population data release ("*San José on Fast-Growth Track*," San Jose Mercury News, May 2, 2007). Specifically, the article references a "reversal of the trend of people fleeing Silicon Valley," and a demographer with the Public Policy Institute of California observing that "Santa Clara County is growing faster than Bay Area counties such as Solano, Contra Costa, and Sonoma – areas that previously were growing faster." In other words, growth in San José and the larger Bay Area is increasingly occurring in more central, urbanized locations as opposed to more remote, suburban destinations.

- **Redistricting Implications:** The growth rate differences among the City's planning areas have implications for boundary changes in future City Council redistricting efforts. The next redistricting process is scheduled to occur in about four years, following the release of the 2010 census population data. It should be noted that the redistricting implications of recent growth are especially pronounced given that the last redistricting plan approved by the City Council in 2001 resulted in relatively minimal District boundary changes to reflect population growth patterns of the previous decade. Specifically, the total variation of population among Council Districts from the District mean population was 9.5%, just below an adopted redistricting criterion to "equalize the population count in each District within 10%" (<http://www.sanjoseca.gov/redistricting/>). More importantly, in many cases the Council Districts whose population varied most from the District mean correspond with those planning areas that experienced either the most or least amount of housing growth since 2000 (see Figure 2 on Attachment B). For example, District 9 and District 10 each had population below the mean (by -4.3% and -3.6%, respectively), and since 2000 have continued to be "slower growth" areas. Conversely, District 3 and District 7 each had population above the mean (by 2.2% and 2.7%, respectively), and since 2000 have continued to be "faster growth" areas. This will presumably result in even greater variations in population among Council Districts and create the need for more extensive District boundary changes.

## **Conclusion**

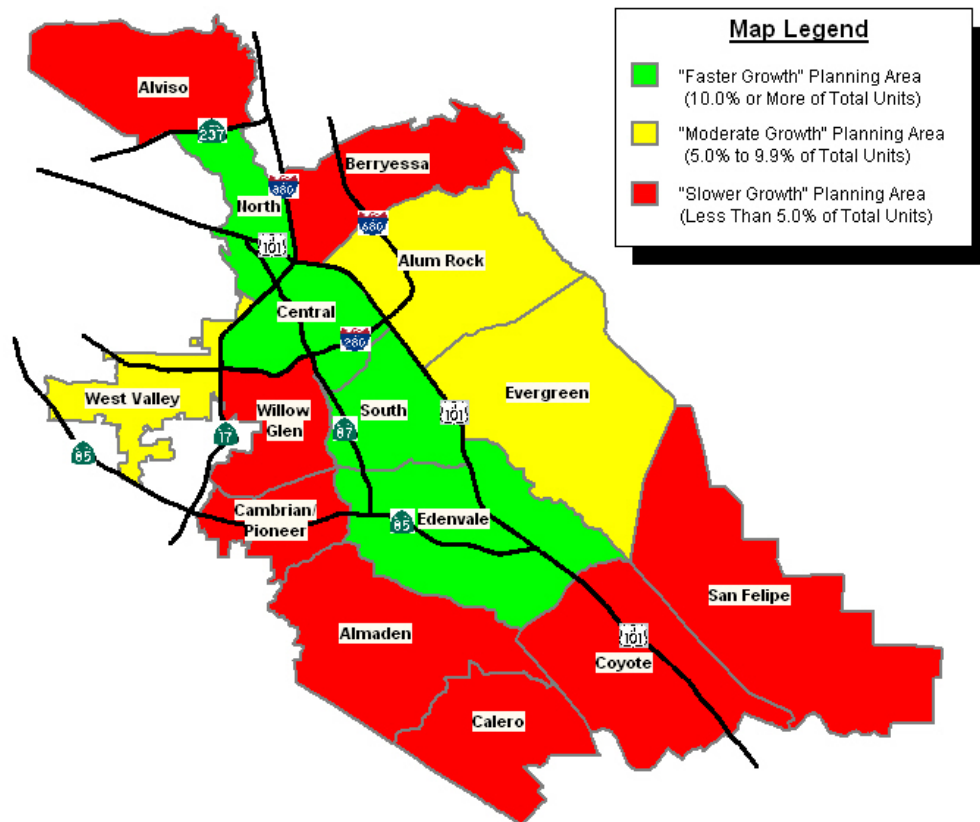
In conclusion, the City's population growth rate has been notably higher in the last two years and is on a pace to exceed one million people by 2009. An analysis of new housing data demonstrates that growth is occurring in areas where the City planned for it to occur and reflects a higher-density, transit-oriented infill development pattern. Finally, future population and housing growth can be expected to follow recent growth patterns and trends, reinforcing the need to continue proactive planning efforts.

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## **Attachments**

Questions about this growth analysis should be directed to Michael Bills, Senior Planner, at (408) 535-7896.

**Figure 1.**  
**New Housing Units by Planning Area, Since Census 2000**



**Map Legend**

- Planning Area Boundary
- 6 City Council District